



Natural Resources Conservation Service
Bozeman Area Office 269
10 East Babcock Street
Federal Building, Room 443
Bozeman, MT 59715-4704

Frank Rigler
Box 970
Gardnier, MT 59030

May 24, 2011

Frank,

On May 17, 2011 Ron Hoagland and I met you on your place in Paradise Valley. You asked that we look over the property and give you our thoughts on the condition of the rangeland and some ideas, if necessary, to better manage the forage resource.

History: This smaller piece of the Slip & Slide is what remains after selling the majority the ranch. All cattle were taken off the unit in 2007 and the few horses that remained were removed in 2008. The historical climate data from the Gardiner Station in 2007 and 2008 show precipitation was well below average for the year and significantly below average from March – June of each year. 2009 was below average for the year but above average during March – June. In 2010 precipitation was above average for both the year and significantly above average for the time period of March – June.

Soils & Ecological Sites: Four major soil types occupy the steeper portions of the property; typic haploborolls, typic ustochrepts, argic cryoborolls and mollic cryoboralfs. The slopes vary from 20-70%. The majority of the soils are moderately deep (20-40 inches) well drained with very gravelly loam and very gravelly sandy loam textures. The ecological site descriptions for most of the steep ground above your house to the east would fall into the Central Rocky Mountain Major Land Resource Area and more specifically the “silty droughty” ecological site. The production on this site should be approximately 1300 lbs/per year (air dry matter). The composition should consist of; Grasses (80%) - Blue bunch wheatgrass, Needle and Thread grass, western wheat grass and other sedges and perennial grass, Forbs (10%) and Shrubs (10%).

Soil Health: This ecological site has the potential to produce a sustainable, soil building, bunch grass plant community. The amount of bare ground should not exceed 20%. Litter greater than 0.5 inch deep should occupy 50 - 55% of the soil surface. Rills and water flow patterns should be short and infrequent. Evidence of soil erosion in the form of pedestals should be rare on this site. Litter movement could be evident on the steeper slopes but rare on the gradual slopes. This plant community is relatively resistant to noxious and invasive weeds.

Existing conditions: The winter of 2010 was one for the records for both snow depth and subsequent spring moisture. Since last fall the area is 3 inches ahead of the 30 year average for precipitation. This combined with the growing conditions of 2010 lead me to expect a bit of a different scene than what I experienced on May 17th.





This would be a fair representation of what the potential is for this country. Robust bluebunch wheatgrass plants with sagebrush. Some bare ground would be expected but nothing excessive. This is in a draw, most likely covered by deep, hardened snow.



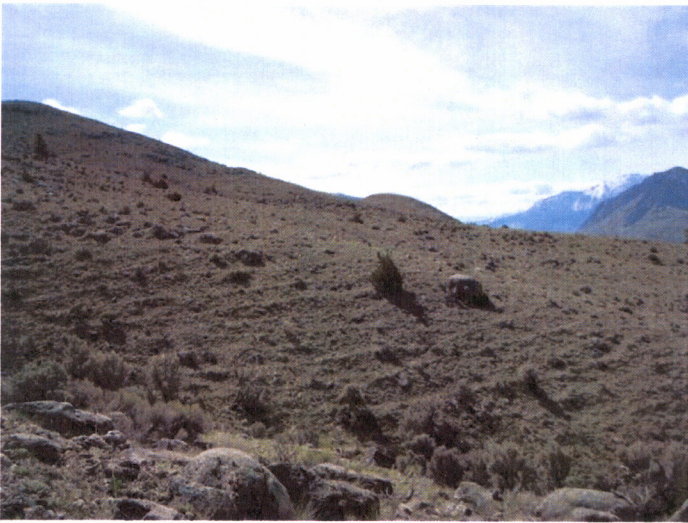
Landscape looks heavily used with many trails throughout.



Sagebrush is in poor condition, trails are evident, exposed rock and soil means little residual grass to cover the soil surface.



A view facing up the slope makes trails evident up and down the slope.



Another view of trailing across the slope. The sage brush is heavily impacted except where snow banks were obvious.



This is a view looking down on the soil surface. There is a lot of bare ground, very little litter and plant community is representative of a lower successional stage.



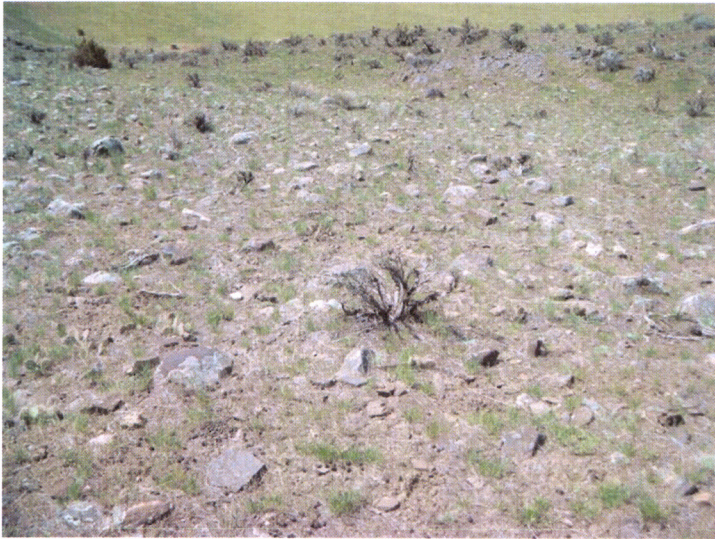
This is a view looking down the slope. Sage brush is heavily impacted and bluebunch is small and poorly represented.



There is a lot of bare ground and some litter. Prairie junegrass, fringed sagewort and small bluebunch plants make up the plant community.



Ungulate grazing is prevalent on this slope. Here the bluebunch wheatgrass plants have already been grazed this spring but do have some residual from last year.



Sage brush in a weakened state. Prairie junegrass and sandberg bluegrass make up the bulk of the vegetation on this slope.



Looking back toward the farmstead and the Yellowstone River. This steep, west facing slope is receiving heavy use by ungulates.

Conclusion: The range resource on this west facing slope is in a definite downward trend and is in low similarity (25-35%) compared to the potential. The potential plant community should produce 1300 pounds in an average year of which 80% would be grass, 10 % forbs and 10% shrubs. The grass component would be up to 80% bluebunch wheatgrass with needle & thread and western wheat making up the majority of the remainder. Prairie junegrass, bluegrass and upland sedges would complete the grass component. The current production of this site, after correction to normal, will be 400-600 pounds. Presently, prairie junegrass and sandberg bluegrass make up the bulk of the production with a small proportion of bluebunch hanging on. Sage brush is being impacted as well, in many areas excessively. Bare ground is averaging 40%, litter cover less than 10%, and rock is 25% of the soil surface. The remainder of the soil surface is covered by clubmoss (10%) other moss and lichen, etc (5%) and plants (10%). There appears to be adequate bluebunch plants to reoccupy the site if given time and proper management. "Periodic Rest" would allow this site to recover somewhat. A similarity this low will almost never recover with management alone. Management, however, would provide the most economical kind of return.

In the event the current management continues, the site will turn to one of short and mid-grasses with more non-palatable shrubs. Forbs will increase many with little value to livestock or wildlife and the site will become increasingly susceptible to noxious weed invasion. Soil erosion will increase with many rills and gullies forming on the slope.

EXHIBIT 12 9 of 39
DATE 3/21/2013
SB 256



- c. \$2,000 on watercraft of all types, including their trailers, furnishings, equipment, and outboard motors;
 - d. \$1,000 on trailers not otherwise insured;
 - e. \$3,000, subject to a limit of \$1,000 per item, for loss by theft of jewelry, watches, furs, precious and semi-precious stones;
 - f. \$2,000 for loss by theft of firearms and related equipment;
 - g. \$3,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, and pewterware.
 - h. \$8,000 on electronic data processing equipment and the recording or storage media used with that equipment.
2. **Property Not Insured.** We do not insure under Coverage C:
- a. Farm personal property;
 - b. Animals, birds, fish or pets;
 - c. Mobile agricultural machinery, motorized land vehicles and their parts, except vehicles designed for assisting the handicapped and vehicles used to service your dwellings, provided they are not licensed for road use;
 - d. Aircraft and parts;
 - e. Property of roomers, tenants and boarders not related to an insured;
 - f. Business personal property, including, but not limited to office equipment, supplies, furnishings, merchandise, samples, tools and business papers and records;
 - g. Recreational motor vehicles, trailer homes and campers;
 - h. Any personal property located at any dwelling premises which is owned by you and not insured under Section I;
 - i. Articles separately described and specifically insured by this or other insurance.

ADDITIONAL COVERAGES - Coverages A, B, and C:

No deductible applies to these additional coverages.

- 1. **Debris Removal.** We will pay the reasonable expense you incur in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, and additional five percent (5%) of that limit of liability will be available to cover debris removal expense.
- 2. **Reasonable Repairs.**

We will pay the reasonable and necessary costs you incur for repairs made solely to protect covered property from further damage provided coverage is afforded for the peril causing the loss. This coverage does not increase the limit of liability applicable to the property being repaired.
- 3. **Trees, Shrubs and Other Plants (limited to Coverage A - Your Dwellings).** We cover trees, shrubs, plants

and lawns on the residence premises for loss caused by the following perils: Fire or lightning, explosion, or civil commotion, aircraft, vehicles not owned or operated by a resident of the residence premises; vandalism or malicious mischief or theft.

The limit of liability for this coverage including the removal of debris shall not exceed five percent (5%) of the limit of liability applying to the Coverage dwelling at that same residence premises. Our limit of liability for any one tree, shrub, or plant is \$500. We do not cover property grown for business or farming purposes under this paragraph. This coverage is in addition to the limit applying to the Coverage dwelling.

- 4. **Refrigerated Products.** If Coverage C applies to your policy, we will pay up to \$500 for loss or damage to contents of a freezer or refrigerator at the residence premises. This coverage does not apply to farm personal property. The loss or damage must be caused by a change in temperature resulting from:

- a. Interruption of electrical service to refrigeration equipment caused by damage to the generator or transmission equipment which results in a breakdown in the system; or
- b. Mechanical or electrical breakdown of the refrigeration system.

You must exercise diligence in inspecting and maintaining refrigeration equipment in proper working condition. If interruption of electrical service, mechanical or electrical breakdown is known, you must exercise all reasonable means to protect insured property from further damage.

- 5. **Power Interruption.** We cover loss to property insured under Coverage C while at the insured location due to the change in temperature as a result of physical damage to the building or equipment therein caused by a peril insured against.

- 6. **Credit Card, Bank Transfer Card, Counterfeit Currency and Forgery.** We will pay up to \$1,000

- a. The legal obligation of an insured to pay because of the theft or unauthorized use of credit cards, bank transfer cards issued to or registered in the insured's name. We do not cover credit card or bank card use if any insured or anyone else is not complied with all terms and conditions under which the card was issued;
- b. Loss suffered by an insured caused by forgery or alteration of any check or negotiable instrument;
- c. Loss suffered by an insured through acceptance in good faith of counterfeit United States or Canadian paper currency.

We will not pay more than the limit stated above for forgery or alteration committed by any one person. This limit applies when the forgery or alteration involves one or more instruments in the same loss.

We do not cover losses resulting from business pursuits or dishonesty of any insured.

FB Farm Bureau
Family of Insurance Services

Aaron Boyd
931 Boulder Drive
Laramie WY 82070

EXHIBIT 12 11 of 39
DATE 3/21/2013
SB 256

Mountain West Farm Bureau
Mutual Insurance Company

Bozeman Office
Phone: (406) 585-4509
Fax: (307) 721-7738
aboyn@mwfb.com

March 20, 2013

Mr. and Mrs. Rigler
PO Box 970
Gardiner, MT 59030

RE: Claim Number : M2670
Policy Number : 5FM40977
Date of Loss : March 25, 2011

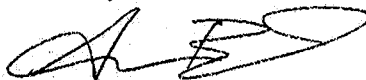
Dear Mr. and Mrs. Rigler:

I am writing to follow up on our phone conversation today regarding the damage to your trees. After speaking with you on the phone, you stated that Bison came through your property and caused damage to your trees,

Your policy provides coverage for accidental direct physical loss to your property with certain exclusions. Trees and shrubs are covered for limited Perils of lightning, fire, riot, aircraft, theft, vandalism, and vehicles not owned or operated by an insured. Unfortunately, there is no coverage available for your trees and shrubs that were damaged by Bison or other animals. Therefore, we are unable to assist you with this loss. Please find enclosed copies of these perils for your review.

If you have any questions, or additional information for me to review, please contact me.

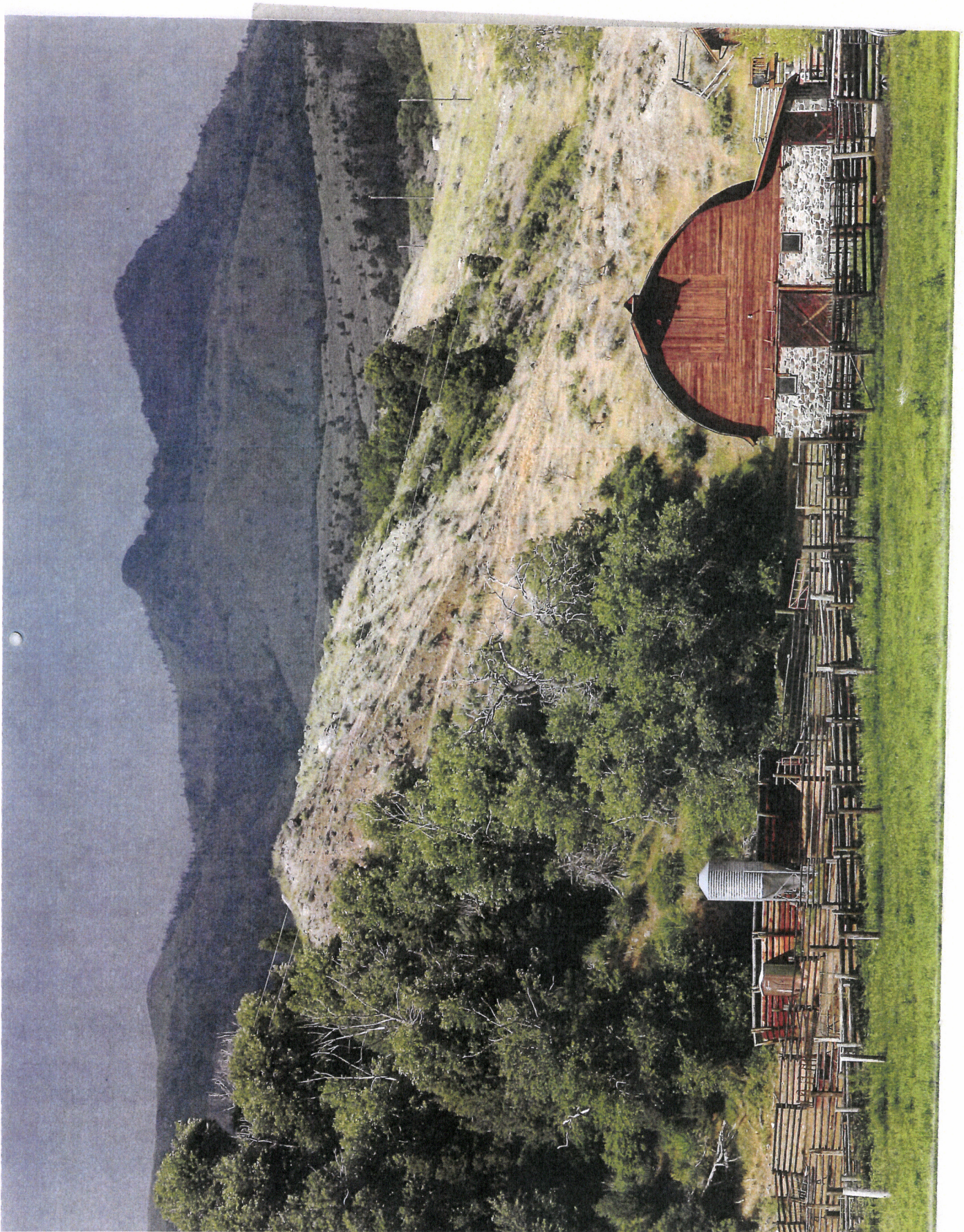
Sincerely,



Aaron Boyd
Claims Representative

Enclosures: As stated

cc: Ruey Barnett, Agent



Rigler Barn, Park County. The Paul Rigler family bought a ranch in the Paradise Valley in 1908. Paul died in 1909, leaving his wife, Cecilia, and their six sons to run it. They eked out a living raising cabbages, potatoes, and apples to sell at Corwin Springs near the north entrance of Yellowstone National Park. In 1912, the family began collecting stones from nearby hills for this horse and tack barn completed in 1915. A carpenter who had worked in the park framed the barn; a local stonemason laid the two-foot-thick walls. Rigler great-grandchildren still operate the ranch. (BARN COURTESY RIGLER FAMILY)

September 2013













